

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION</b>	1. TRANSMITTAL NUMBER:  <b>03-39</b>	2. STATE  <b>Louisiana</b>
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE  <b>October 1, 2003</b>	

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN    ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN    ☒ AMENDMENT

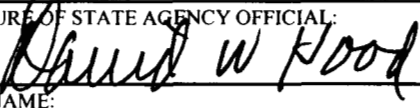
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:  <b>42 CFR 447 Subpart C</b>	7. FEDERAL BUDGET IMPACT: a. FFY <u>2003</u> <b>(\$1,469.81)</b> b. FFY <u>2004</u> <b>(\$1,456.77)</b>
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>Attachment 4.19-D, Page 11.a.</b>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): <b>Same (TN 03-13)</b>

10. SUBJECT OF AMENDMENT: **The purpose of this amendment is to reduce the reimbursements to private ICF/MR facilities. This action is necessary in order to avoid a budget deficit in the medical assistance programs.**

11. GOVERNOR'S REVIEW (Check One):

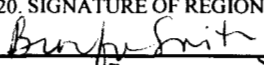
☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☒ OTHER, AS SPECIFIED: **The Governor does not review state plan material**☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: <b>State of Louisiana Department of Health and Hospitals 1201 Capitol Access Road PO Box 91030 Baton Rouge, LA 70821-9030</b>
13. TYPED NAME: <b>David W. Hood</b>	
14. TITLE: <b>Secretary</b>	
15. DATE SUBMITTED: <b>December 9, 2003</b>	

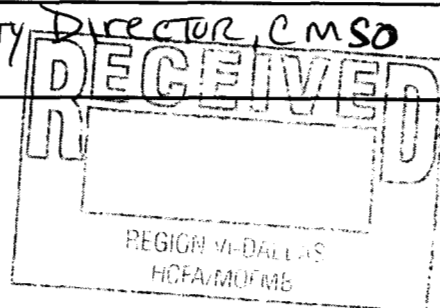
FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:  <b>DEC 17 2003</b>	18. DATE APPROVED:  <b>FEB 17 2004</b>
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:  <b>OCT - 1 2003</b>	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: <b>Charlene Brown</b>	22. TITLE: <b>Deputy Director, CMSO</b>

23. REMARKS:



STATE OF LOUISIANA

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2. Quasi-public facilities are reimbursed a facility specific prospective rate based on budgeted costs. Providers submit a projected budget for the state fiscal year beginning July 1. Rates are determined as follows:
  - a. Determine each ICF/MR's per diem for the base year beginning July 1.
  - b. Calculate the inflation factor using an average CPI index applied to each facility's per diem for the base year to determine the inflated per diem.
  - c. Calculate the median per diem for the facilities' base year.
  - d. Calculate the facility's routine cost per diem for the SFY beginning July 1 by using the lowest of the budgeted, inflated, or median per diem rates plus any additional allowances.
  - e. Calculate the final approved per diem rate for each facility by adding routine costs plus any "pass through" amounts for ancillary services, provider fees, and grant expenses.
  - f. Providers may request a final rate adjustment subject to submission of supportive documentation and approval by the DHH rate committee.

D. REIMBURSEMENT TO PRIVATE ICF/MR PROVIDERS

Private providers are reimbursed based upon a flat prospective rate by Capacity/LOC grouping. Effective for dates of service on or after October 1, 2003, reimbursements shall be 98.8 percent (a 1.2 percent reduction) of the per diem rates in effect on September 30, 2003. For subsequent years, reimbursement shall be 99.2 percent (a .8 percent reduction) of the per diem rates in effect on September 30, 2003.

1. Cost Determination Definitions
  - a. CPI - All Items - The Consumer Price Index (CPI) for all Urban Consumers-South Region (All Items line) for December as published by the United States Department of Labor.
  - b. Economic Adjustment Factor - The CPI All Items Factor is computed by dividing the value of the corresponding Index for December of the year preceding the Rate year by the value of the Index one year earlier (December of the 2nd preceding year).

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TN# 03-39  
Supersedes

Approval Date FEB 17 2004

Effective Date OCT - 1 2003

TN# 03-13